EXHIBIT "Y"

of two separate committees, one for preferred shareholders and one for common shareholders.

I think, as has been pointed out in oral arguments, these requests need to be looked at separately because they raise different issues, and that's what I'll do. But in sum, I'm going to deny each of the requests for the appointment of a committee for the following reasons: First, as is well established, the court reviews the U.S. Trustee's decision whether to appoint a committee or not to appoint a committee on a de novo basis, although I obviously note that when, as here, the U.S. Trustee has done a thorough analysis of the request in the first instance. I then turn to the statute which states in Section 1102(a), that the court may appoint an additional official committee of equity holders, if necessary, to assure adequate representation of that group.

As Judge Gropper pointed out in his opinion in the Kasper bankruptcy of this year, this statute, by focusing both on whether the appointment is necessary to assure adequate representation, sets a rather high threshold for the movant. Recognizing that threshold, the courts

likely to accelerate or to impede the reorganization process.

The threshold consideration, that is whether there is sufficient equity in the estate to justify the cost and expense of a separate committee is something we've spent considerable time on this morning and this afternoon, although it ultimately there's not an enormous amount of evidence in the record that goes to the value of the debtors and the value of the equity. I note that as set forth by Judge Cram in the Manville case, the movants have the burden of proof, and it is their burden to put on evidence establishing, among other things, whether there is real equity value here. And as Judge Lifland pointed out in the Williams Communications case, this didn't mean that the court should conduct a full valuation of the debtor, but rather should determine whether it appears reasonable that there is a substantial likelihood in Judge Lifland's words, of a meaningful distribution under the absolute priority rule, to equity holders.

And again, as pointed out by Judge Lifland, citing to the Emens Industry case, this is

shareholders, holding approximately 23 percent, which, if one looks at the liquidation preference and accrued interest in respect of that preference, is a meaningful amount of money, over 50 million dollars. The timing of the appointment of a committee wouldn't be appropriate at this point, in that the debtors, having through their own auspicious in large part, stabilized their business and taken some key decisions in the case, are now focusing on a Chapter 11 plan preceded by a business plan, so that in fact, if it were appropriate, one could, at this point, have a committee that would be focusing on negotiation of a Chapter 11 plan.

However, based on my review of the presentation on valuation, I find that as far as the common shareholders are concerned, that negotiation would be largely academic. Based on both the book value of the debtors, from their publically filed SEC reporting, as well as the agreed upon range of trading prices, which were the only evidence of value offered by the movants, the common shareholders are substantially under water from anywhere between 230 million dollars on a high

end, to 620 or more on a low end, 620 million or more on a low end. As I noted at the hearing in September, both book valuations and trading valuations, that is security trading valuations have their weak elements. And it's been my experience that book valuation in a company like this is has often been overstated, whereas we all recognize that the trading valuations are far from accurate. However, when either method leaves to such a substantial negative equity, I think it is clear to me that the debtors are insolvent as far as the common shareholders are concerned.

Colliers states that it is clear that a committee should not be appointed if the debtor is hopelessly insolvent, and it is clear that it should be appointed if the debtor is clearly solvent, obviously leaving a middle ground there for courts to deal with in their discretion.

I find here that the gap is simply too large to justify the expense and disruption that an official committee of common shareholders would pose, given that the only trade off, I think, based on what's before me, the evidence before me, would be is di minimis recovery at this point, by

shareholders.

It's important to note that the only serious request for a committee here is based on the need to negotiate a plan. There's no meaningful evidence, or even contention, that management is somehow laying down on its job in running the company properly and obtaining the most value possible for the debtors. In fact, the reason for the renewal of the motion in its prosecution today, is just the contrary, that the company, its management has done an excellent job in increasing value. So, I'm really focusing on the one function of a committee, which is negotiating a plan. And again, based on today's record, I believe that those negotiations at this point would result in only a di minimis recovery for common shareholders; perhaps not in Judge Lifland's words "a gift," although, perhaps close to that.

I find that management is quite capable of negotiating that type of recovery for the shareholders, and I expect motivated to do so. I also find that the -- if I haven't made it clear already, the concerns that were raised in passing